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Mayor Gregory J. Nickels 2010-2011 Budget
Address.

The City of Seattle – Legislative Department

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Committee Action:

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Full Council Action:

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*Seattle Mayor Gregory J. Nickels
Eighth and Final Budget Speech
September 25, 2009*

Esteemed members of the City Council, friends and neighbors, and our City family, it is an honor today to present my eighth and final budget.

When I stood before you in 2002 and took the oath of office, we faced a crisis – the bursting dot-com bubble and near collapse of the aerospace industry, costing 100,000 workers their jobs. City government reaped the consequences of undisciplined spending and unclear priorities that promised too much with too little.

But we got to work, rolled up our sleeves, and set a new course. We eliminated programs, trimmed payroll and cut city spending by \$120 million. We were hit harder by that recession than virtually anywhere else. And we recovered.

Today, we face similar challenges: a global financial panic unseen since the 1930s, a Great Recession that has left businesses reeling and families hurting.

But because of the choices we made over the past eight years, we are well poised for new era of prosperity. In a survey of 13 major cities across the nation, the Pew Research Center determined that Seattle was in the strongest fiscal situation. That's no accident or fluke, but the result of years of careful planning and prudent action. One part of the budget tells the story: when I took office, the Rainy Day fund was only \$2.5 million. Now, it stands at more than \$30 million.

That will help us today, when the storm clouds of economic uncertainty are upon us.

Our latest figures project a combined \$72 million revenue shortfall in the general fund's 2009 and 2010 biennial budget, the result of lower revenues from many of our funding sources, particularly sales and business taxes.

This will require cutting roughly 4.4 percent from the endorsed 2010 budget, or about \$41 million. The bottom line is that the 2009 General Fund Budget was lower than the 2008 Budget and the 2010 GF budget will be lower still. Let me be clear -- not growing more slowly, actually lower.

That's the bad news. The good news is that Seattle has not and will not suffer draconian cuts to basic services. We are strong despite the storm. And I promise you: Seattle will lead the nation to a cleaner, more progressive, more prosperous future.

In between this recession and the last, together we have transformed much of the city. As I present my 2010 budget today, I want to acknowledge that many people have been a big part of the last eight years, each City Councilmember has played an important role and I thank you. I want particularly to recognize two members who are leaving City Hall after long and successful service: Richard McIver and Jan Drago. In politics, you can be allies or opponents – and you

have been both – but at the end of the day, we all want to create a good life for our people. I want to thank you for your service and wish you both the very best.

Like all budgets, this plan contains mind numbing numbers, pie-charts and graphs (which I leave for your reading pleasure today). But we know those figures represent real people with dreams and challenges and joys and hardships, each and every individual with the potential to make us a better city. They are the real story.

As I have from the beginning of my first term, I put special emphasis on meeting human needs and protecting public safety in this budget. But to make it all balance, it took some tough decisions by the public servants who work so hard across the city to make sure our libraries are places of thoughtful inspiration, our parks are clean and welcoming, and our buildings, streets and green spaces safe and vibrant.

Several months ago, we approached the Coalition of City Unions, the group representing more than 5,000 city employees, and shared with them the grim reality of our revenue outlook. We came together in good faith, labor and management, to reach a solution that preserved services for our residents, and jobs during this time of high unemployment.

I want to thank Adrienne Thompson and John Masterjohn, who are with us today, for their hard work. Fourteen unions voted to participate in a 10-day furlough that will also be extended to non-represented employees. This will save about \$6.5 million in the general fund. There will be still be layoffs, and they will be painful, but we are all in this together, and I thank the unions and their representatives for their shared sacrifices. Because we kept hiring to a prudent level during the good years, fewer people will find themselves out of work during these tough times.

We will close the revenue gap in ways large and small. We will keep our city vehicles longer. We will cut management positions and use savings set aside by some of our city departments. We have cut City Light debt by more than \$300 million and even with a City Light rate increase, the people of Seattle will pay less for power than when I took office.

We set aside a rainy day fund and during this storm we will tap into it.

One thing we won't do: raise taxes. In fact, this budget reflects the Council's recent action to raise the B & O threshold on the smallest businesses to \$100,000.

A budget is nothing more than a blueprint but it is a way to set priorities and reflect our values. My priorities have always been the same: getting Seattle moving, keeping our neighborhoods safe, creating jobs and opportunity for all, building strong families and healthy communities.

There has been much talk recently about the agreement we forged with the state of Washington on replacing the aging, dangerous Alaskan Way Viaduct. In fact, we've been talking about what to do with the Viaduct for a lot longer than it took to build it. It's been 8 years since the Nisqually Earthquake gave us a much needed wake-up call about the dangers of failing bridges. And still, twice a year, we close it down to measure its decay, much like an ER nurse takes the pulse of a dying patient.

Almost two years ago, Governor Gregoire and I asked an advisory committee of 29 local community, labor and business leaders to examine potential solutions. They considered thousands of pages of technical analysis, held public meetings, and read through hundreds of letters and emails from the public, interest groups, and other governments.

In the end, the Governor and I agreed with the stakeholder group that the best option was to replace the Viaduct with a deep bored tunnel under downtown Seattle, along with improved local streets and transit. This compromise wasn't perfect, but it ended the bickering and set a much-needed direction. It met my basic principle, that Seattle will not repeat the mistakes of the past and build another elevated freeway along our waterfront. We will embrace Elliott Bay as part of our city once again.

Seattle has a long reputation for debating about things forever (people disagree over when this started), endlessly calling for just a little more dialogue. But it is now time for action, not words.

In this budget, we begin replacing a section of the crumbling sea-wall, and relocating critical utilities is already under way. Next year, major construction commences and we start planning for our new public waterfront – our 21st Century opportunity to create a new central park for all to enjoy.

Everywhere I travel in the city, I'm reminded of the progress we've made on transportation. It's not always easy. People grouse when crews are out there doing road work, but I have always believed the noise and dust of heavy construction is a small price to pay for a smooth future.

In the past three years, we paved 74 lane miles of road, repaired more than 83,000 square feet of sidewalk and improved safety around 150 schools.

We've completed major projects in South Park, the University District, and West Seattle to name a few. Next year, we can expect to see electric vehicle recharging stations crop up all over town as we transition from gasoline to clean hydro-electric power. My budget includes funding to finally finish the Burke Gilman Trail, make further progress on the Chief Sealth and Lake Union Cheshiahud Loop Trail; and to implement the Pedestrian and Bicycle master plans.

And speaking of transportation, the number to report a pothole is 684-ROAD. Our Pothole Rangers have filled more than 446,000 of them since I took office (and counting). Fixing potholes is a basic service and a big success story for the city.

On Mercer Street, our application for federal stimulus dollars is now in Washington, DC, blessed by our regional and state leaders. After 40 years of dithering, we have a solution in hand to fixing the Mercer Mess, creating a tree-lined boulevard that will improve travel along our road to Global Health, connecting the Hutch, the UW's new campus, the Gates Foundation and Amgen's research campus -- not to mention the Seattle Center and Amazon.com.

When I became mayor, the city had been buffeted by the WTO mayhem and the tragic 2001 Mardi Gras riot. I promised there would be no repeat of those frustrating and horrific incidents. With the professionalism of the men and women of the Police Department we have managed

huge demonstrations on the war and immigration reform and had no deaths, no injuries and almost no arrests. Instead we ushered in an eight-year period of remarkable success. We have seen the lowest crime rates in 40 years. Homicides this decade are 40% lower than in the 1990s, and in the last three years, car theft has been cut in half. Today, we have the most officers in the history of the Seattle Police Department. But I also understand that those numbers don't mean much if you've experienced crime in your home or in your neighborhood. That's why I launched the Neighborhood Policing Plan that contains three elements: faster, smarter and stronger policing.

In 2007, I set a 5-year goal to add 154 more patrol officers by 2012, and even in difficult economic times, we are keeping that commitment. My budget includes funding for 21 new patrol officers next year. We will make a safe city even safer – in every neighborhood across this city.

This summer, we began the Seattle Youth Violence Prevention Initiative, a two year, \$8 million effort to guide our most vulnerable kids to peaceful and productive lives. Some say the best way to deal with the problem of youth violence is with handcuffs and prison cells. I disagree. Gang violence is like an epidemic, you can control it only with intervention, with focus, and the dedication of an entire community. This budget maintains that commitment to our kids.

This budget will add two Park Rangers, extending a helping hand and an extra pair of eyes to make sure our parks are welcoming and safe for everybody. And thanks to the voter-approved Fire Levy, we're continuing to upgrade and renovate our fire stations: this year, 11 of our 33 stations will be under construction and in 2010 we will start work on nine more.

In tough times, city government often faces a paradox: human need goes up just as revenues go down. As mayor, I have heard the most amazing stories, the injured postal worker who lost her job, and ended up losing her home. The Vietnam veteran who fought a second war with alcoholism and mental illness. The teenager who got her first summer job with the mayor's office, and never looked back.

These people and many others inspired me to preserve funding for human needs: help for domestic violence victims, shelter beds, day centers, youth employment, senior centers, and food banks.

We focused on preserving and expanding direct aid to people in need even while making savings. We're expanding PeoplePoint, connecting eligible low income residents to federal, state and local benefits. And we're continuing to tackle society's most vexing challenges.

The philosophy of Housing First is simple: people on the streets need a safe place to begin to get well. It's an innovative approach that provides the chronically homeless rapid access to housing, with vital medical, mental health and support services available on site. It is a more humane, a more successful and a more cost-effective method than paying for emergency room visits, sobering centers and jails. And now cities as diverse as Dallas and Anchorage have taken notice.

So far, we've opened 450 Housing First units, with hundreds more in the pipeline. It is also imperative that we pass a renewal of the Seattle Housing Levy this fall, a plan that would

preserve or build more than 1,800 affordable homes and provide emergency rental assistance to more than 3,000 households, ensuring more of our people don't become homeless. The cost of the levy to a typical Seattle homeowner is \$65 a year. To us today these are just numbers but to Judith and Sunshine, Steven and Ed it is a chance at reconnecting with a real life – and hope. The human dividends of funding housing are priceless.

The same could be said for investments in the arts. In 2008, we supported nearly 5,000 events, classes and community festivals which featured more than 13,000 artists and served audiences of more than 900,000. Our Seattle City of Music campaign will help grow our internationally recognized music industry. And I want to give a special shout-out to the Massive Monkees – the Seattle break-dancing group that won a Mayor's Arts Awards in 2007 and went on to national fame. They're great examples of our homegrown diversity and talent and great role models for the next generation of B-boys (and girls).

In this bustling and vibrant city, we cherish our green and open spaces and our clean fresh water. That's why, in 2002, I proposed that the city lid our six uncovered reservoirs— creating more than 70 acres of new parks space while protecting our critical water supply. We've completed work on Beacon Hill, Myrtle and Capitol Hill, and they will soon open as the city's newest parks. West Seattle and Maple Leaf reservoirs are now underway.

When it comes to environmental protection, they often say the politicians are a few steps behind the people. But in Seattle we walked the line with all who want to pass on a better future to our children. We have led the nation in fighting to protect our climate.

We expanded recycling programs, and now more than 65 percent of solid waste generated by our residents is recycled instead of going to the land fill. As a city we have more people (and 300,000 more customers) but use less water than we did 30 years ago. We have banned foam packaging from our restaurants, and waged a good fight against the chemical industry over the 360 million disposable shopping bags we throw away each year. We lost that battle but we will win the war! I want to thank each of you but in particular Council President Richard Conlin for standing with me and sharing my commitment to a greener, healthier city.

Many of you know I am a bit of a history buff, especially Seattle history. Not long ago I bought a small volume on Ebay entitled Seattle Year Book: Annual Report of Mayor Bertha K. Landes it is dated June 4, 1928 the day she left the Mayor's office. Bertha Landes was elected mayor in 1926, the first woman mayor of a major US city in our history. She was elected on a Temperance platform and when the good people of Seattle realized she was serious they unelected her in 1928. It is written in the first person and here is how it begins:

"Once again it becomes my pleasure, in this my second annual message to your Honorable Body, to report another year of progress and civic development unmarred by any serious or untoward event. Not only has the government of the city proceeded in an orderly manner without friction or disturbance and produced very commendable results, but the record of the city itself is one of fine accomplishment along all lines. No serious casualties have arisen to disturb the even tenor of city business or the business of the city."

She goes on to note that Seattle has fared much better than most cities with an unemployment rate of only 11.3%! Of course a year later the stock market collapsed and the Great Depression was on. All bets were off.

But my favorite section is a paragraph entitled Rapid Transit:

“It was recommended in the 1927 report that Seattle should give serious consideration to the question of a rapid transit system. Since then a committee of business men of the city has been giving a great deal of time and attention to the whole general question of transportation... They have had engineering studies made and it is believed that they will be able to make a preliminary report at least before many months have passed. In the meantime we are marking time.”

I leave our fiscal house in good order, and progressive values that are shared by the people of Seattle. There is unfinished business, but we’ve made huge progress – we have not just “marked time.” We can walk past the new Thornton Creek headwaters that meander through what was a massive asphalt parking lot in Northgate. A young mom can take her children on the South Lake Union Streetcar and learn about the amazing biomedical research taking place in the shadow of the Space Needle. A new 20 acre park in the heart of Beacon Hill is emerging atop the now buried Jefferson Reservoir. Together we were able to help families take their kids to good pre-schools so their first steps in life are sure and strong. We preserved areas of the city where manufacturing jobs can thrive and workers gain skills that will last a lifetime. And we worked hard to create a sense of race and social justice.

And of course, there is the generations old quest to build light rail. The only thing sweeter than riding the train for the first time this summer was the knowledge that the system will expand much further north, south and east over the next 14 years. More than almost anything else, light rail will transform how we travel and how we live. Bertha would be proud!

We will stay true to the things that are important: we will continue to focus on public safety, help our most vulnerable, solve transportation challenges and prepare to take back our waterfront. With this budget, we will make a positive difference in people’s lives, just as we have for eight years.

History will judge my tenure as the 51st Mayor of this fine city. I wish only the best for the 52nd and this Council. The path to progress may not be even or straight. But we have walked this road together. And it has been a wonderful journey.

Thank you, and God bless our home, Seattle.